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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

KARMIS, STEFANOS

ART UNIT

PAPER NUMBER

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MAIL DATE

DELIVERY MODE

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/669,196	Applicant(s) CARRAGHER ET AL.	
	Examiner STEFANOS KARMIS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 November 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-62 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-62 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in reply to the remarks filed 27 November 2009.

Status of Claims

2. Claims 11, 15, 23, 24, and 26 are currently amended. Claims 1-62 are currently pending.

Response to Arguments

3. Applicant's arguments filed 27 November 2009 have been fully considered but they are not persuasive.

Regarding claims 1-62, Applicant argues that it is not clear from the office action how the external residential mortgage expense that has been selected over the Internet by a cardholder from a plurality of external residential mortgage expense options is found in the prior art. The Examiner believes that the previous rejection contained sufficient detail, however, the Examiner will attempt to provide more detail.

Applicant's dependent claims, along with Applicant's specification further define an external residential expense. For example, dependent claim 5 and 6 state that an external mortgage expense can be a closing cost or a downpayment (see current claims). And previous claim 7, noted that an external residential expense can be insurance (see claims from 5/27/2008). It's worth noting that Applicant amended claim 7 to remove insurance as an external mortgage expense. However the Examiner cannot find the difference between an external residential expense and an external mortgage expense in Applicant's specification. In fact, the specification actually states an "external mortgage residential expense." Therefore, it is not clear whether the

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amendment to claim 7 really requires an interpretation in which the external mortgage expense cannot comprise insurance. However, this inquiry is not necessary for the current rejection.

Continuing, Applicant clearly points out that closing costs are an example of an external residential mortgage expense (see dependent claim 5). Applicant's specification defines "closing costs" as any charges, fees, assessments and payments that are typically paid at closing, and then the specification includes some examples of closing costs, including downpayments (which examiner notes is also in dependent claim 6).....mortgage insurance...flood insurance (page 2, lines 22-25). Therefore, Applicant admits that "mortgage insurance" and "flood insurance" are examples of closing costs just like a downpayment is part of closing costs. All of these are therefore an external residential mortgage expense.

Turning to Sullivan. As noted in the previous rejection, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59) and crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50). Specifically, Sullivan notes that the invention can be applied to different types of insurance accounts, including "mortgage insurance" and "flood insurance" (column 6, lines 38-50). Therefore, Sullivan discloses associating card activity with "mortgage insurance" and "floor insurance" which are defined as a closing cost by Applicant's specification. Therefore, they also qualify as an external mortgage expense, in a similar manner than the downpayment qualifies. Since Sullivan discloses choosing between options like "mortgage insurance" and "flood insurance" (column 6, lines 38-50), Sullivan discloses choosing from a plurality of options.

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4. The Examiner believes the remarks above are sufficient to point out how the teachings of Sullivan teach an external residential mortgage expense that has been selected over the Internet by a cardholder from a plurality of external residential mortgage expense options. If Applicant is still unsure of the Application of the prior art, the Applicant is encouraged to telephone the Examiner and set-up an interview.

5. Applicant has provided no arguments that overcome the rejections set forth. Therefore, the rejections stand and Applicant's arguments are not persuasive.

Claim Rejections - 35 USC § 102

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

7. Claims 1-5, 7-9, 11, 38, 39, 42, 43 and 45-54 are rejected under 35 U.S.C. 102(e) as being anticipated by Sullivan U.S. Patent 6,386,444.

Regarding claim 1, 38, 42, 43, 55 and 56, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential mortgage expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an

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amount to the external residential mortgage expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner also notes that the crediting could simply be paying the insurance with the credit card); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Claim 2, applying some of the amount in a funds transfer to pay the expense (column 7, lines 51 thru column 8, line 3).

Claim 3 and 4, wherein the associating card activity with an external residential expense includes the entering external mortgage identifying data; and carryout out the crediting according to the data (column 7, lines 1-22).

Claims 5 and 9, wherein the external residential mortgage expense is a closing cost (column 6, lines 38-50).

Claim 7, 11, wherein the plurality of options includes more than two options (column 6, lines 38-59).

Regarding claim 8 and 39, Sullivan discloses a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external

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residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Claim 45-54, obtaining identifying data for the external residential expense; and wherein the crediting is carried out with amount comprising a reward (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59).

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 27, 36, 40 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 6,386,444 in view of Petit U.S. Patent 4,722,554.

Claims 27, 36, 40 and 41, Sullivan teaches a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-

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50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50).

Sullivan fails to specify printing a check for the amount; printing a coupon with the amount for carrying out the payment of the mortgage with the check; and combining the check and the coupon with a statement of the card activity in an envelope so as to address the envelope to the cardholder. Pettit teaches an alternative value paper refund form in which a negotiable instrument, nominally a check, and one or more coupons. The form is typically used for a rebate or refund (column 3, lines 30-47 and column 9, lines 3-25). It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Sullivan and include payment through postage because it is an efficient manner to transmit payment information stemming from a rebate or refund and is extremely well known in the financial and billing arts.

10. Claims 6, 10, 37 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 6,386,444 in view of Hastings U.S. Patent 6,751,596.

Claims 6, 10, 37 and 44, Sullivan teaches wherein the external residential expense is insurance (column 6, lines 38-59). Sullivan fails to teach that the external residential expense is a downpayment or an actual mortgage. Hastings teaches a system and method for tracking, monitoring and supporting self-procuring principals in real estate transactions that take closing costs, downpayments and mortgages into account (column 15, lines 36-50). Hastings further

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teaches that downpayments are major impediments to purchasing a home (column 1, lines 15-32). Further, a downpayment is a type of closing costs, as are the mortgage insurance and flood insurance teachings of Sullivan. Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Sullivan to include downpayments because they are external residential mortgage expenses needing to be paid by the customer and the customer would thus have an incentive to use the card to provide payments for these expenses to apply to these costs to help with the purchase of a home similar to mortgage insurance and flood insurance.

11. Claims 12-26 and 28-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 5,966,699 in view of Johnson U.S. Patent 6,999,943.

Regarding claims 12-26 and 28-35, Sullivan fails to teach the processing and applying of payment as discussed in these claims. Johnson teaches multiple payment methods (Abstract, column 24, lines 60 thru column 25, line 8). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Sullivan to include the processing and application of payments by various methods because it provides a system desirable to the customer by giving the customer options on how to process and apply payments to that the system can better meet the needs of the parties involved in the transactions.

12. Claims 5, 6, 9, 10, 37 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan U.S. Patent 5,966,699 in view of Zandi U.S. Patent 5,966,699.

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Claims 37, Sullivan teaches a computer-aided method for card-activity based residential expense crediting, the method comprising; associating card activity with an external residential expense (column 5, line 66 thru column 6, line 18 and column 6, lines 38-59; associated with home insurance/mortgage insurance); crediting an amount to the external residential expense responsive to the card activity (column 6, lines 38-59 and column 8, lines 5-50; Examiner notes that the payment is applying some of the amount such as 1%); and generating output including external residential expense crediting (column 6, lines 38-59 and column 8, lines 5-50). Sullivan fails to teach auctioning a proposed new mortgage. Zandi teaches lenders participating in an auction for a new mortgage (column 3, lines 55-67 and column 7, line 8 thru column 9, line 54). Therefore it would have been obvious to one of ordinary skill in the art to modify the teachings of Sullivan to include the mortgage auctioning teaching of Zandi because it provides for obtaining a loan with more favorable terms for the borrower and thus helps the borrower obtain the mortgage.

Conclusion

13. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

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CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to STEFANOS KARMIS whose telephone number is (571)272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted
/Stefanos Karmis/
Primary Examiner, Art Unit 3693
18 February 2010